

CENTRAL CAROLINA TECHNICAL COLLEGE

**AUDITED FINANCIAL STATEMENTS
and
ADDITIONAL INFORMATION**

June 30, 2009

CENTRAL CAROLINA TECHNICAL COLLEGE
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CENTRAL CAROLINA TECHNICAL COLLEGE
SUMTER, SOUTH CAROLINA

AUDIT PERIOD: JULY 1, 2008 - JUNE 30, 2009

AREA COMMISSION MEMBERS

Name	Area Represented	Terms of Office
Mr. J. Mac Summers, Chairman	Sumter County	7/01/05-7/01/09
Mrs. Ruth J. Bell, Vice Chairman	Lee County	7/01/07-6/30/11
Mr. Bobby R. Anderson, Secretary	Sumter County	7/01/07-6/30/11
Mr. Terry M. Hancock	Kershaw County	7/01/06-7/01/10
Mr. Andre G. McBride	Sumter County	7/01/05-7/01/09
Ms. Jennett Towles-Mickens	Sumter County	7/01/07-7/01/11
Mr. Ray Reich	Sumter County	7/01/06-7/01/10
Mr. James J. Sanyi, Jr.	Sumter County	7/01/05-7/01/09
Mr. Christopher L. Lee	Clarendon County	7/01/07-7/01/11

KEY ADMINISTRATIVE STAFF:

Name	Title
Dr. Tim Hardee	President
Ms. Ann Cooper	Vice President for Academic Affairs
Ms. Terry L. Booth	Vice President for Business Affairs
Ms. Lisa Bracken	Vice President for Student Affairs

AREA SERVED BY THE COMMISSION:

Clarendon, Lee, Kershaw, and Sumter Counties

COUNTIES PROVIDING FINANCIAL SUPPORT FOR THE INSTITUTION:

Clarendon, Lee, Kershaw, and Sumter Counties

Central Carolina Technical College

Management's Discussion and Analysis

Introduction

The management of Central Carolina Technical College offers readers of the College's financial statements a narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2009. This discussion should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

- The assets of Central Carolina Technical College exceeded its liabilities at June 30, 2009, by \$28,392,706 (net assets). Of this amount, \$9,411,899 (unrestricted net assets) may be used to meet the College's ongoing obligations.
- Net assets increased by \$233,067, primarily due to the increase in capital assets as a result of construction in progress.
- Total debt decreased by \$185,000 during the current fiscal year.
- The College experienced an operating loss of \$7,960,430 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. However, this operating loss was offset by State appropriations of \$4,964,462, local appropriations of \$2,115,749, and other nonoperating revenues, including capital appropriations of \$1,125,349.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows.

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and noncurrent. The difference between total assets and total liabilities is net assets, which are displayed in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net assets is one indicator of the current financial condition of the College, while the change in net assets is an indicator of the overall financial condition and whether it has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Assets is basically a statement of net income with an entity-wide perspective. Revenues and expenses are categorized by operating and nonoperating, and expenses are reported by object type.

Central Carolina Technical College

Management's Discussion and Analysis

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, noncapital financing, and investing activities. This statement also emphasizes the College's dependence on state and county appropriations by separating them from operating cash flows.

A comparative analysis of data is presented in the following sections.

Statement of Net Assets

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$28,392,706 at the close of the most recent fiscal year. A summary of the statements follows (in millions):

	<u>2009</u>	<u>2008</u>	<u>Increase/ Decrease</u>
Current assets	\$ 19.20	\$ 15.90	\$ 3.30
Noncurrent assets:			
Restricted	.25	.25	-
Capital assets, net	<u>18.32</u>	<u>18.00</u>	<u>.32</u>
Total assets	<u>\$ 37.77</u>	<u>\$ 34.15</u>	<u>\$ 3.62</u>
Current liabilities	8.79	5.25	3.54
Noncurrent liabilities	<u>.59</u>	<u>.74</u>	<u>(.15)</u>
Total liabilities	<u>9.38</u>	<u>5.99</u>	<u>3.39</u>
Net assets	<u>\$ 28.39</u>	<u>\$ 28.16</u>	<u>\$.23</u>

The current ratio, representing current assets divided by current liabilities, was 2.18 at June 30, 2009 compared to 3.03 at June 30, 2008. Current assets of \$19.2 million at June 30, 2009 represent a \$3.3 million increase compared to the prior year. This increase was seen in two major categories. Cash and cash equivalents and investments increased by \$2.5 million as a result of funding received for the health sciences renovation capital project, which began construction in August 2009. Receivables at year end June 30, 2009 were \$3.5 million, compared to \$2.5 million at June 30, 2008. The increase is a result of an increase in student receivables due to increased enrollment as well as an increase in state grant receivables from the prior year.

Noncurrent assets increased by \$.32 million largely due to construction in progress.

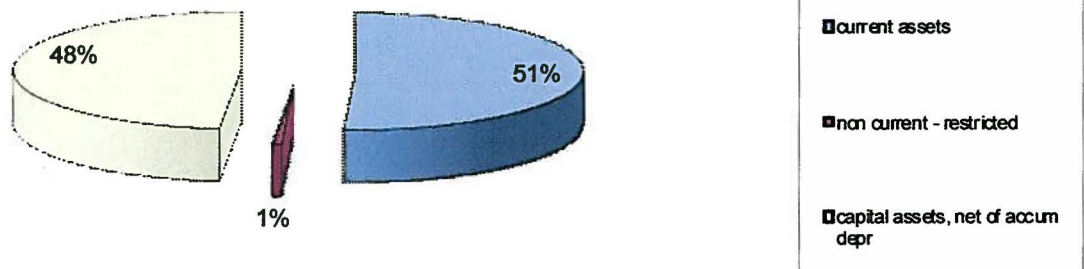
Current liabilities increased by \$3.54 million as a result of an increase in deferred revenue. This increase in deferred revenue was due to an increase in summer and fall student tuition caused by increased enrollment and capital appropriations received for the health sciences renovation project but not yet spent.

Central Carolina Technical College

Management's Discussion and Analysis

The following chart pictorially presents the College's total assets as of June 30, 2009:

Total Assets Summary



Capital and Debt Activities

Bonds payable totaled \$.20 million at June 30, 2009, as discussed in Note 6. These bonds were issued in a prior year to finance the construction of the Learning Resource Center.

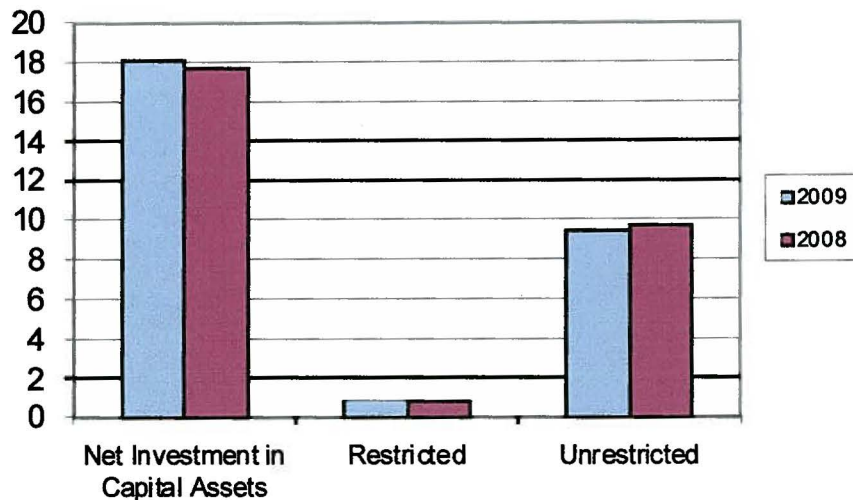
Net Assets

Net assets represent the residual interest in the College's assets after liabilities are deducted. The College's net assets at June 30, 2009 and June 30, 2008 are summarized below (in millions):

	<u>2009</u>	<u>2008</u>	<u>Increase/ Decrease</u>
Invested in capital assets, net of related debt	\$ 18.12	\$ 17.62	\$.50
Restricted:			
Nonexpendable	.25	.25	-
Expendable	.61	.56	.05
Unrestricted:	9.41	9.73	(.32)
Total Net assets	<u>\$ 28.39</u>	<u>\$ 28.16</u>	<u>\$.23</u>

Central Carolina Technical College
Management's Discussion and Analysis

**Comparative Net Assets - Fiscal Years
2009 and 2008**



The College's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding reflects approximately 64% of its total net assets. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.

Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Additional details are shown in Note 5.

Restricted nonexpendable net assets consist of the College's permanent endowment fund.

The unrestricted net assets of \$9.41 million may be used to meet the College's ongoing obligations, which are discussed in Note 14, Unrestricted Net Assets, of the accompanying notes to the financial statements.

Central Carolina Technical College
Management's Discussion and Analysis

Statement of Revenues, Expenses and Changes in Net Assets

The statement of revenues, expenses and changes in net assets presents the College's results of operations. A summarized comparative statement is shown below (in millions):

	<u>2009</u>	<u>2008</u>	<u>Increase/ Decrease</u>
Operating revenues:			
Student tuition and fees	\$ 9.32	\$ 9.44	\$ (.12)
Less: scholarship allowances	(5.21)	(4.59)	(.62)
Net student tuition and fees	4.11	4.85	(.74)
Grants and contracts	10.33	8.97	1.36
Auxiliary	.95	.88	.07
Other	.32	.27	.05
Total operating revenues	15.71	14.97	.74
Less operating expenses (see page 6)	23.67	23.22	.45
Net operating loss	(7.96)	(8.25)	.29
Nonoperating revenues (expenses):			
State appropriations	4.96	6.59	(1.63)
Local appropriations	2.11	2.07	.04
Interest Income	.33	.59	(.26)
Grants and contracts	.02	.04	(.02)
Interest on capital assets	(.01)	(.02)	.01
Net nonoperating revenues	7.41	9.27	(1.86)
Other	.78	.92	(.14)
Increase(decrease) in net assets	.23	1.94	(1.71)
Net assets, beginning of year	28.16	26.22	1.94
Net assets, end of year	<u>\$ 28.39</u>	<u>\$ 28.16</u>	<u>\$.23</u>

The total revenues, including operating, nonoperating, and other was \$23.91 million.

Student tuition and fees decreased by \$.12 million from the prior year. This net decrease is comprised of an increase of \$.54 million in credit tuition due to an increase in enrollment and tuition rates and a \$.60 million decrease in continuing education (non-credit revenue) resulting from companies spending less money on training in the present economy. The balance is in other fees, write-offs and remissions and exemptions.

A large portion of the revenue included in the grants and contracts category represents student financial assistance, which is used to pay tuition and fees for students to attend the College. An approximation of tuition and fees paid from this source of funds has been recognized as a reduction of tuition and fees in the form of scholarship allowances,

Central Carolina Technical College

Management's Discussion and Analysis

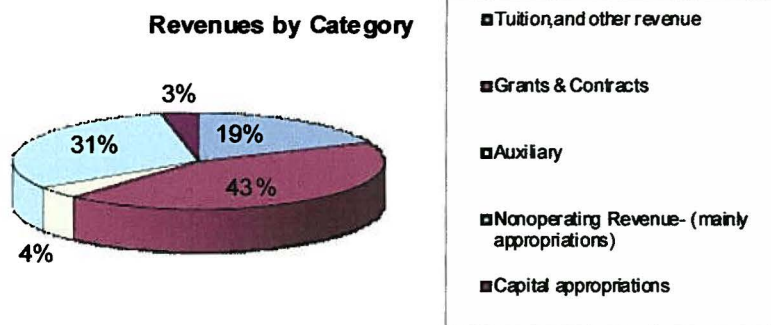
in order to eliminate duplication of revenues. Revenue in this category increased by \$1.36 million or approximately 15% due to the increase in enrollment and financial aid.

Auxiliary revenues increased by \$.07 million or 8% due to increased sales resulting from increased enrollment.

State appropriations decreased by \$ 1.63 million or 24.7% as a result of large mid-year reductions in state funding.

Interest income decreased by \$.26 million as a result of decreased interest rates.

The following graphic illustration of revenues by source shows how operating and nonoperating revenues are used to fund the College's operating expenses. Significant recurring sources of the College's revenues are considered nonoperating, as defined by GASB Statement No. 35.



Operating and nonoperating expenses are shown below in the condensed statement format (in millions):

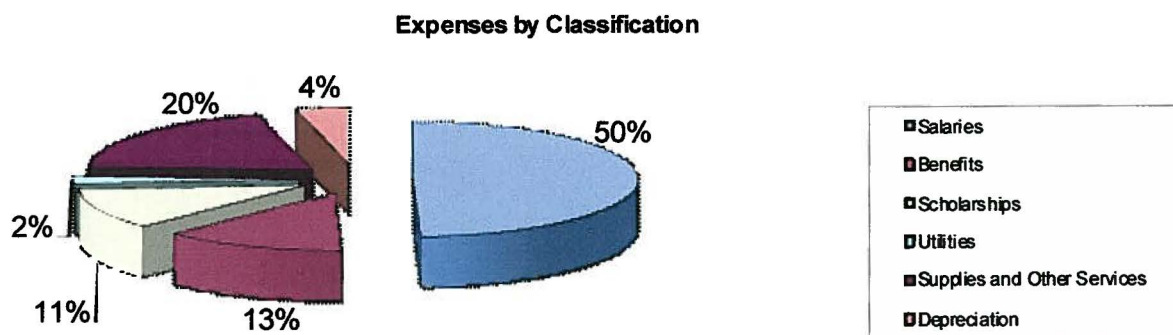
	<u>2009</u>	<u>2008</u>	<u>Increase/ Decrease</u>
Operating:			
Salaries & benefits	\$ 14.81	\$ 14.40	\$.41
Scholarships	2.70	1.98	.72
Utilities	.50	.47	.03
Supplies and services	4.75	5.48	(.73)
Depreciation	.91	.89	.02
	<u>23.67</u>	<u>23.22</u>	<u>.45</u>
Nonoperating:			
Interest	.01	.02	(.01)
Total expenses	<u>\$ 23.68</u>	<u>\$ 23.24</u>	<u>\$.44</u>

Central Carolina Technical College

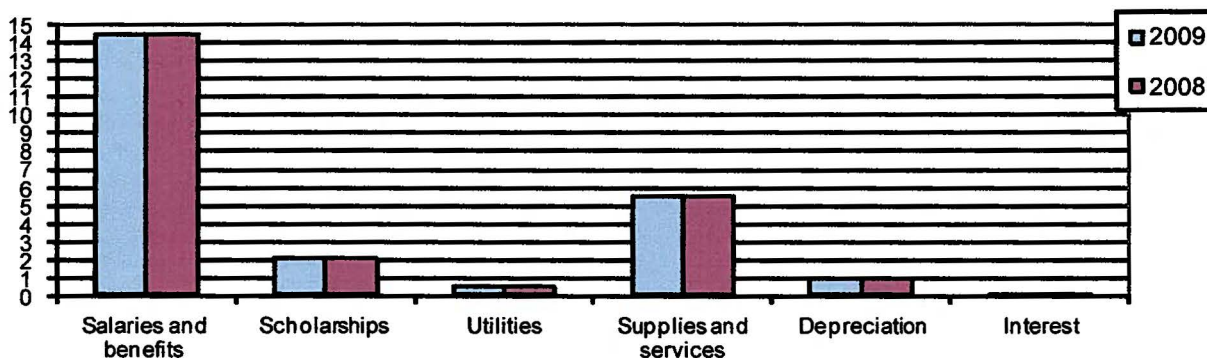
Management's Discussion and Analysis

Note 17, Operating Expenses by Function in the accompanying notes to financial statements identifies operating expenses by functional classification.

The following is a graphic illustration of total operating expenses by object:



Comparison of Operating Expenses - Fiscal Years 2009 and 2008



Total expenses increased overall by \$.44 million. This net increase is primarily a result of three things: Salaries and benefits increased by \$.41 million due to a 2% base pay increase given by the State and the College in fiscal year 2009 as well as several new positions that were added; Scholarship expenses increased by \$.72 million or 36% as a result of a large increase in Pell awards due to the increase in enrollment and financial aid; Supplies and services decreased by \$.73 million as a result of state budget reductions.

Central Carolina Technical College

Management's Discussion and Analysis

Statement of Cash Flows

The statement of cash flows provides additional information about the College's financial results, by reporting the major sources and uses of cash. A condensed statement of cash flows is shown below (in millions):

	<u>2009</u>	<u>2008</u>	<u>Increase/ Decrease</u>
Cash received from operations	\$ 15.62	\$ 14.90	\$.72
Cash expended for operations	(22.69)	(22.38)	(.31)
Net cash used in operating activities	(7.07)	(7.48)	.41
Net cash provided by noncapital financing activities	7.08	8.71	(1.63)
Net cash provided (used) by capital and related financing	2.02	(.51)	2.53
Net cash provided (used) by investing activities	<u>6.47</u>	<u>(1.45)</u>	<u>7.92</u>
Net increase (decrease) in cash and cash equivalents	8.50	(.73)	9.23
Cash and cash equivalents, beginning of year	<u>7.10</u>	<u>7.83</u>	(.73)
Cash and cash equivalents, end of year	<u>\$ 15.60</u>	<u>\$ 7.10</u>	<u>\$ 8.5</u>

The College's cash and cash equivalents increased by \$ 8.5 million. \$6 million of the increase can be attributed to investments that were reclassified to cash. This occurred as a result of the College renewing all certificates of deposit for only three months at a time until interest rates are higher. The remaining increase is largely due to funds received for the health sciences renovation project, which began construction in August 2009.

Economic Factors

The national and state economies deteriorated rapidly during fiscal year 2009. As a result, the state reduced funding by over 23% during the year. The College prepared three budget amendments in response to the state reductions, increasing teaching loads, eliminating almost all vacant positions and contingency budget, reducing operating expenses, and implementing five unpaid furlough days for most employees.

The economy shows some signs of improvement in fiscal year 2010, although the state faces possible additional budget reductions of anywhere from 5 – 10%. However, the College's enrollment appears to be increasing in response to the weak economy, which will help offset decreased state revenues.

INDEPENDENT AUDITORS' REPORT

The President and Members of the Area Commission
Central Carolina Technical College
Sumter, South Carolina

We have audited the accompanying financial statements of the business-type activities of Central Carolina Technical College (the College), as of and for the year ended June 30, 2009, which collectively comprise the College's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Central Carolina Technical College as of June 30, 2009, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2009, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 1-8 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit this information and express no opinion on it.

The President and Members of the Area Commission
Central Carolina Technical College
Page Two

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying F.E. Dubose Career Center supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wehsterhogue, LLP

Sumter, South Carolina
September 21, 2009

Central Carolina Technical College
Statement of Net Assets
June 30, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 15,349,560
Accounts receivable, net	3,503,196
Inventories	247,343
Other assets	97,321
Total current assets	<u>19,197,420</u>

Noncurrent assets:

Restricted cash and cash equivalents	250,515
Capital assets, not being depreciated	1,802,575
Depreciable capital assets, net of accumulated depreciation	16,514,648
Total noncurrent assets	<u>18,567,738</u>
Total assets	<u>\$ 37,765,158</u>

LIABILITIES

Current liabilities

Accounts payable	\$ 201,044
Accrued payroll and related liabilities	318,829
Deferred revenue	7,961,157
Accrued annual leave - current portion	95,892
Bond payable - current portion	195,000
Funds held for others	16,338
Total current liabilities	<u>8,788,260</u>

Noncurrent liabilities

Accrued annual leave - noncurrent portion	<u>584,192</u>
Total noncurrent liabilities	<u>584,192</u>
Total liabilities	<u>\$ 9,372,452</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 18,122,223
Restricted for:	
Nonexpendable	
Scholarship	250,515
Expendable	
EPA - ETC	163,644
Debt service	90,000
Capital projects	165,787
F.E. DuBose Career Center	188,638
Unrestricted	<u>9,411,899</u>
Total net assets	<u>\$ 28,392,706</u>

Central Carolina Technical College
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009

Revenues

Operating Revenues:

Student tuition and fees (net of scholarship allowance of \$5,211,377)	\$ 4,111,331
Federal grants and contracts	7,647,008
State grants and contracts	2,683,787
Auxiliary services(net of scholarship allowance of \$1,110,918)	951,476
Other operating revenues	315,045
Total operating revenues	<u>15,708,647</u>

Expenses

Operating Expenses:

Salaries	11,710,552
Benefits	3,098,754
Scholarships	2,697,364
Utilities	496,944
Supplies and other services	4,753,511
Depreciation	911,952
Total operating expenses	<u>23,669,077</u>
Operating Loss	<u>(7,960,430)</u>

Nonoperating Revenues (Expenses)

State appropriations	4,964,462
Local appropriations	2,115,749
Interest income	326,235
Interest on capital asset related debt	(12,063)
Federal grants and contracts	5,000
State grants and contracts	7,503
Local grants and contracts	8,961
Net nonoperating revenues	<u>7,415,847</u>
Loss before other revenues, expenses, gains or losses	(544,583)
Local capital appropriations	83,622
State capital appropriations	694,028
Increase in net assets	<u>233,067</u>
Net assets - beginning of year	28,159,639
Net assets - end of year	<u>\$ 28,392,706</u>

Central Carolina Technical College
Statement of Cash Flows
For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 4,544,323
Federal, State and Local grants and contracts	9,805,536
Auxiliary enterprise charges	956,182
Other receipts	315,045
Payments to vendors	(7,936,626)
Payments to employees	(14,755,311)
Net cash used by operating activities	<u>(7,070,851)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	5,005,033
Local appropriations	2,048,481
Federal, State and Local grants and contracts non operating	26,434
Student organization agency transactions	3,785
Net cash flows provided by noncapital financing activities	<u>7,083,733</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

State and Local capital appropriations	3,438,268
Purchase of capital assets	(1,221,567)
Principal paid on capital debt	(185,000)
Interest paid on capital debt	(13,512)
Net cash provided by capital and related financing activities	<u>2,018,189</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of investment	6,000,000
Interest on investments	473,760
Net cash flows provided by investing activities	<u>6,473,760</u>

Net increase in cash	8,504,831
Cash - beginning of year	7,095,244
Cash - end of year	<u>\$ 15,600,075</u>

Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (7,960,430)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	911,952
Change in assets and liabilities	
Receivables, net	(922,211)
Inventories	59,054
Deferred charges and prepaid expenses	(27,301)
Accounts payable	(20,560)
Deferred revenue	834,650
Compensated absences	53,995
Net cash provided (used) by operating activities	<u>\$ (7,070,851)</u>

Note: The College received donated capital assets of \$6,405 during fiscal year 2009.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by Central Carolina Technical College ("***the College***") are described below to enhance the usefulness of the financial statements to the reader.

A. Reporting Entity

Central Carolina Technical College, a member institution of the South Carolina Technical Education System, provides a range of educational programs to meet the needs of the adult population of the counties of Sumter, Clarendon, Lee and Kershaw, South Carolina. Included in this range of programs are technical and occupational diploma and associate degree curricula which are in concert with the needs of service area employers. Integral to this mission, Central Carolina Technical College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading skills of individual employees. It also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

The College's primary funding sources are state and local support, state and federal grants and contracts, and student tuition.

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Central Carolina Technical College, as the primary government. The College evaluates potential component units on an annual basis, and presents component units that are deemed significant. The criteria to determine significance is whether the net assets of the component unit are 5% of the College's net assets. As of June 30, 2009, the College has determined there are no significant component units. Central Carolina Technical College has determined that it is not a component of another entity. The College is part of the primary government of the State of South Carolina.

B. Financial Statements

The financial statements of the College have been prepared to meet the requirements of the Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, and related statements and amendments. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required. The College has not adopted Financial Accounting Standards Board ("FASB") statements and interpretations issued after November 30, 1989.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

D. Cash and cash equivalents

For purposes of the Statement of Cash Flows, the College considers all highly liquid investments, such as a Certificate of Deposit, maturing in three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's office are also considered cash equivalents.

E. Investments

Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds". GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3* requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The College accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

F. Inventories

Inventories consist of bookstore books and supplies. Such items are recorded at latest invoice price which approximates the first-in-first-out, lower of cost or market basis.

G. Accounts Receivable and Payables

Accounts receivable are stated net of an allowance for uncollectible accounts. After the College has exhausted all traditional means of collecting delinquent student's accounts, it is authorized and obligated to submit such accounts to the S.C. Department of Revenue for collection through state tax refunds. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. See Note 3 for details.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Accounts payable consist of goods received or services rendered on or before June 30 and paid after June 30. It can also include payables such as accrued interest payable and funds due to grantees. See Note 4 for details.

H. Deferred Revenues

Deferred revenues include amounts received for tuition and fees prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

I. Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

J. Classification of Revenues

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Scholarship discounts and allowances

Student tuition and fee revenues are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain grants, such as Pell and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

K. Classification of Expenses

The College has classified its expenses as either operating or nonoperating expenses according to the following criteria:

Operating expenses: Operating expenses generally result from the purchasing of goods or services related to the College's principal ongoing operations. These expenses include (1) salaries and benefits paid to employees for providing educational services and other related services to students; (2) utilities to maintain the educational buildings; (3) supplies and services for goods and services provided to the College; (4) scholarship expenses for student financial assistance; and (5) depreciation expense for capital items.

Nonoperating expenses: Nonoperating expenses include activities that have the characteristics of nonexchange transactions. These expenses include interest expense and loss on disposal of assets.

L. Auxiliary Enterprises and Internal Service Activities

Auxiliary enterprise revenues primarily represent revenues generated by bookstore and vending. Revenues of the auxiliary enterprise activities and related expenses of college departments have been eliminated.

M. Net Assets

The College's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Restricted net assets - nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College's policy in regards to restricted net assets is to first apply restricted resources when an expense is incurred for purposes of which both restricted and unrestricted net assets are available.

N. Compensated Absences

The College has accrued a liability for employees' vested vacation pay. The liability for accrued compensated absences includes all accrued leave, including unused holidays, and related fringe benefits. Other compensated absences, such as sick pay, do not vest; accordingly, no liability is accrued.

O. Capitalized Interest

The College capitalizes as a component of construction in progress interest cost in excess of earnings on debt associated with capital projects that will be capitalized in the applicable capital asset categories upon completion. The College did not capitalize interest expense during the year.

P. Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – CASH, DEPOSITS AND INVESTMENTS

The following schedule reconciles cash and investments as reported on the Statement of Net Assets to footnote disclosure provided for deposits and investments.

Statement of Net Assets:

Cash and cash equivalents	\$15,349,560
Restricted cash and cash equivalents	250,515
TOTAL STATEMENT OF NET ASSETS	<u>\$15,600,075</u>

Notes to Financial Statements:

Carrying value deposits:	
Held by financial institutions	\$ 11,966,618
Held by state treasurer	255,787
Repurchase agreement	3,376,640
Cash on hand	1,030
TOTAL	<u>\$ 15,600,075</u>

Deposits:

Deposits include cash and cash equivalents on deposit in banks and funds held by the State Treasurer in the State's internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents.

Restricted cash includes \$250,515 held for endowment.

Deposits Policy

The State's policy, by law, requires all banks or savings and loan associations that receive state funds deposited by the College, to secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the College against any loss.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the College will not be able to recover deposits or will not be able to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails. Deposits include cash and cash equivalents on deposit in banks, overnight repurchase agreements, and non-negotiable certificates of deposit. The College does not have a policy that limits holding of securities by counterparties.

All of the College's deposits, including those held by the State Treasurer were fully insured or collateralized. State law requires full collateralization of all State Treasurer bank balances. Please refer to the Comprehensive Annual Financial Report of the State of South Carolina.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – CASH, DEPOSITS AND INVESTMENTS

(continued)

As of June 30, 2009, the deposits for Central Carolina Technical College outside of the State Treasurer were \$15,343,258, and the bank balances were \$15,482,711. Of these, \$15,126,640 were exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging institution or their trust department or agent for the College but not in the College's name.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Pursuant to state law, the College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the College is not exposed to this risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2009, are summarized as follows:

Student accounts receivable	\$2,545,700
Allowance for uncollectible accounts	(117,150)
Federal grants and contracts	236,106
State grants and contracts	705,263
Nongovernmental grants and contracts	4,893
State appropriation	9,142
County appropriation	109,555
Other	9,687
Total accounts receivable	<u>\$3,503,196</u>

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2009, are summarized as follows:

Accounts payable	\$ 199,516
Accrued interest	<u>1,528</u>
Total accounts payable	<u>\$ 201,044</u>

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 - CAPITAL ASSETS

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Capital assets not being depreciated:				
Land and improvements	\$ 936,496	\$ -	\$ -	\$ 936,496
Construction in progress	43,084	853,509	(30,511)	866,079
Total capital assets not being depreciated	979,577	853,509	(30,511)	1,802,575
Depreciable capital assets:				
Buildings and improvements	23,429,479	247,027	-	23,676,506
Machinery, equipment, and other	2,669,012	126,555	(45,966)	2,749,601
Vehicles	425,966	31,392	(46,792)	410,566
Depreciable land improvements	613,917	-	-	613,917
Total depreciable capital assets at historical cost	27,138,374	404,974	(92,758)	27,450,590
Less accumulated depreciation for:				
Buildings and improvements	(7,233,839)	(610,818)	-	(7,844,657)
Machinery, equipment, and other	(2,181,461)	(219,430)	45,966	(2,354,925)
Vehicles	(345,025)	(51,008)	46,792	(349,241)
Depreciable land improvements	(356,423)	(30,696)	-	(387,119)
Total accumulated depreciation	(10,116,748)	(911,952)	92,758	(10,935,942)
Depreciable capital assets, net	17,021,626	(506,978)	-	16,514,648
Capital assets, net	\$ 18,001,203	\$ 346,531	\$ (30,511)	\$ 18,317,223

NOTE 6 - BONDS PAYABLE

In fiscal year 1996, the college issued \$2,000,000 in General Obligation State Institution Bonds, Series 1995B. These bonds, issued December 1, 1995, are general obligations of the State of South Carolina and are secured as to principal and interest by a pledge of the full faith, credit and taxing power of the State of South Carolina. In addition, these bonds are secured by a pledge of the tuition fees imposed by the College. The proceeds of these bonds were used for the construction of the Learning Resource Center.

These bonds mature annually on November 1, with principal amounts ranging from \$100,000 to \$195,000, with applicable semi-annual interest at 4.25 to 6.00% per annum. The annual requirements to amortize these bonds as of June 30, 2009 are as follows:

<u>FYE</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$195,000	\$ 4,583	\$199,583

Debt Service Limitation on State Institution Bonds

S.C Code of Laws Section 59-107-90 states that the maximum amount of annual debt service on state institution bonds for each institution shall not exceed ninety percent of the sums received from tuition fees (as defined by Code Section 59-107-30) for the preceding fiscal year. Tuition fees for the fiscal year ended June 30, 2008, were \$866,820, which results in a legal annual debt service at June 30, 2009 of \$780,138. The annual debt service payments for the fiscal year ended June 30, 2009 were \$197,063.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 7 - LEASE OBLIGATIONS

The College has one lease obligation as of June 30, 2009:

A copier lease expires December 2009 for photocopy equipment. Monthly payments are \$3,824, and totaled \$45,884 for fiscal year 2009. This is an operating lease.

<u>FYE</u>	<u>Non-state parties</u>
	<u>Copier</u> <u>Lease</u>
2010	<u>\$ 22,944</u>

NOTE 8 – LONG TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>June 30,</u> <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2009</u>	<u>Due Within</u> <u>One Year</u>
Bonds and Notes Payable					
State Institution Bonds	\$ 380,000	\$ -	\$ 185,000	\$ 195,000	\$ 195,000
Accrued Compensated Absences	<u>626,089</u>	<u>116,089</u>	<u>62,094</u>	<u>680,084</u>	<u>95,892</u>
Total Long-Term Liabilities	<u>\$ 1,006,089</u>	<u>\$ 116,089</u>	<u>\$ 247,094</u>	<u>\$ 875,084</u>	<u>\$ 290,892</u>

NOTE 9 – RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS

The financial statements include only those accounts and transactions of the College which relate to the educational purposes of Central Carolina Technical College.

The Central Carolina Technical College Foundation

Central Carolina Technical College Foundation is a separately chartered legal entity whose activities are related to those of the College and exists primarily to provide financial assistance and other support to the College and its educational programs. Financial statements for this entity are audited by independent accountants and retained by them. Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB 39. The College excluded this organization from the reporting entity because it is not financially accountable for it and the Foundation's assets are not significant to the college's overall assets.

In the process of evaluating whether to include the Foundation as a potential component unit, the College concluded that the resources held by the Foundation, as well as the resources received from the Foundation were not significant to the College's financial position and operations as a whole. As such the Foundation is not included as a component unit in these statements. Per audited financial statements the Foundation's assets as of June 30, 2009 were \$1,066,181.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 10 – DONOR RESTRICTED ENDOWMENTS

Noncurrent assets include \$250,515, which consists of an endowment. The donor has provided specific instructions to authorize the interest on the investment of endowment funds to be spent on scholarships.

The endowment is included in a certificate of deposit as shown in Note 2 in the deposit section.

At June 30, 2009, the endowment had no net appreciation. All is restricted and included in the restricted net assets. This is in compliance with SC Code of Laws Sections 34-6-20, 34-6-30, and 34-6-60.

NOTE 11 - STATE APPROPRIATIONS

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner. The following is a detail schedule of State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2009:

Non-Capital Appropriations

Appropriations from State Board	\$ 4,750,148
Other adjustments:	
Nurse Faculty Supplement	24,254
SC Lottery Fund	<u>190,060</u>
Total non-capital appropriations	<u>\$ 4,964,462</u>

NOTE 12—PENSION PLANS

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to Financial Services, South Carolina Retirement Systems, PO Box 11960, Columbia, South Carolina 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 12—PENSION PLANS

(continued)

South Carolina Retirement System

The majority of employees of Central Carolina Technical College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

From July 1, 1988 to June 30, 2005 employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005, the required employee contribution increased to 6.25 percent. On July 1, 2006, the required employee contribution increased to 6.50 percent. Effective July 1, 2008, the employer contribution rate became 12.74 percent which included a 3.50 percent surcharge to fund retiree health and dental insurance coverage. The College's actual contributions to the SCRS for the three most recent fiscal years ended June 30, 2009, 2008, and 2007, were \$882,093, \$827,537, and \$722,932, respectively, and equaled the required contributions of 8.05 percent (excluding the surcharge) for fiscal year 2007, 9.06 percent (excluding the surcharge) for 2008 and 9.24 percent (excluding the surcharge) for 2009. Also, the College paid employer group-life insurance contributions of \$14,320 in the current fiscal year at the rate of .15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2008, the employer contribution rate became 14.15 percent which, as for the SCRS, included the 3.50 percent surcharge. The College's actual contributions to the PORS for the years ended June 30, 2009, 2008, and 2007, were \$1,592, \$2,165, and \$490, respectively, and equaled the required contributions of 10.65 percent (excluding the surcharge) for each year. Also, the College paid employer group-life insurance contributions of \$30 and accidental death insurance contributions of \$30 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Optional Retirement Program

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 12—PENSION PLANS

(continued)

Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24 percent plus the retiree surcharge of 3.50 percent from the employer in fiscal year 2009.

Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. For the fiscal year, total contribution requirements to the ORP were \$67,585 (excluding the surcharge) from Central Carolina Technical College as employer and \$47,543 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$1,097 in the current fiscal year at the rate of .15 percent of compensation.

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions. Due to the South Carolina Supreme Court decision in *Layman et al v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program, prior to July 1, 2005 will not be required to make SCRS contributions.

SCRS employer contribution rate will remain the same effective July 1, 2009.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 13—POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. Central Carolina Technical College contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.50%, 3.42% and 3.35% of annual covered payroll for 2009, 2008 and 2007, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. Central Carolina Technical College paid approximately \$360,249, \$344,133 and \$332,516 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2009, 2008 and 2007, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.23 for the fiscal years ended June 30, 2009, 2008 and 2007.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 14 – UNRESTRICTED NET ASSETS

The unrestricted net assets reported on the Statement of Net Assets total \$9,411,899. A large portion of these funds are reserved or designated for specific expenditures or projects as follows:

Reserve for Encumbrance – this reflects outstanding commitments (purchase orders and contracts) as of June 30, 2009.	\$ 1,274,971
Quasi-Endowment – this represents amounts established by the governing board to function as an endowment	114,983
Designated for Capital projects	7,615,725
Unrestricted – undesignated	<u>406,220</u>
Total	<u>\$ 9,411,899</u>

NOTE 15 – STATEMENT OF ACTIVITIES

The following information is required by the Office of the Comptroller General for the State of South Carolina's comprehensive annual financial report:

CENTRAL CAROLINA TECHNICAL COLLEGE
STATEMENT OF ACTIVITIES
Year Ended JUNE 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>	<u>Increase/ (Decrease)</u>
Charges for services	\$ 15,393,602	\$ 14,708,246	\$ 685,356
Operating grants and contributions	2,778,493	2,962,947	(184,454)
Capital grants and contributions	777,650	922,772	(145,122)
Less: expenses	<u>(23,681,140)</u>	<u>(23,247,551)</u>	<u>(433,589)</u>
Net program revenue (expense)	<u>(4,731,395)</u>	<u>(4,653,586)</u>	<u>(77,809)</u>
Transfers:			
State appropriation	<u>4,964,462</u>	<u>6,596,793</u>	<u>(1,632,331)</u>
Total general revenue and transfers	<u>4,964,462</u>	<u>6,596,793</u>	<u>(1,632,331)</u>
Change in net assets	233,067	1,943,207	(1,710,140)
Net assets-beginning	<u>28,159,639</u>	<u>26,216,432</u>	<u>1,943,207</u>
Net assets-ending	<u>\$ 28,392,706</u>	<u>\$ 28,159,639</u>	<u>\$ 233,067</u>

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 – CONSTRUCTION IN PROGRESS

Construction in progress as of June 30, 2009 consists of one project which will be capitalized upon completion:

	Construction In Progress	Commitment Balance
Health Science renovation	\$866,079	\$148,550

The health sciences renovation project is scheduled to begin construction in August 2009 and be completed by June 2010. The project, which is being funded by federal, state, and local grants and appropriations, as well as a \$3 million bond and some College funds, is estimated to cost \$13.5 million. The College had entered into a contract with an architectural firm as of June 30, 2009, with an estimated commitment balance of \$148,550. The bonds for this project have not yet been issued.

NOTE 17 – OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2009 are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Supplies and Other Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$ 7,266,108	\$1,755,304	\$ -	\$ -	\$1,359,764	\$ -	\$ 10,381,176
Academic Support	929,149	250,409	-	-	319,873	-	1,499,431
Student Services	1,204,129	370,858	-	-	252,044	-	1,827,031
Operation and Maintenance of Plant	678,111	164,100	-	496,944	900,746	-	2,239,901
Institutional Support	1,547,765	527,483	-	-	347,468	-	2,422,716
Scholarships	-	-	2,697,364	-	-	-	2,697,364
Auxiliary Enterprises	85,290	30,600	-	-	1,573,616	-	1,689,506
Depreciation	-	-	-	-	-	911,952	911,952
Total Operating Expense	<u>\$11,710,552</u>	<u>\$3,098,754</u>	<u>\$2,697,364</u>	<u>\$496,944</u>	<u>\$4,753,511</u>	<u>\$911,952</u>	<u>\$23,669,077</u>

NOTE 18 - RISK MANAGEMENT

The College is exposed to various risks of loss and pays insurance premiums to certain state agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settled claims have not exceeded this coverage in any of the past three years.

Several state funds accumulate and the State itself assumes substantially all risks for the following:

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 18 - RISK MANAGEMENT

(continued)

1. Claims of state employees for unemployment compensation benefits (Employment Security Commission);
2. Claims of covered employees for worker's compensation benefits for job-related illnesses or injuries (State Accident Fund);
3. Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services); and
4. Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems).

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All of the other coverage listed above is through the applicable State self-insured plan except that dependent and optional life premiums are remitted to commercial carriers.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF) which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following assets and activities.

1. Theft of, damage to, or destruction of assets;
2. Real property, its contents, and other equipment;
3. Motor vehicles;
4. Torts, and;
5. Natural disasters.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage, and to limit losses in the areas of property, boiler and machinery, automobile liability, and medical professional liability insurance. The IRF's rates are determined actuarially.

The State Board for Technical and Comprehensive Education obtains coverage through commercial insurers for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

The College has recorded insurance premium expenditures in the applicable functional expenditure categories. All claims are expected to be covered, except for the deductibles. These risks of loss (the deductibles) have not been transferred to a state or commercial insurer. There has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 19 - F.E. DUBOSE CAREER CENTER

On July 1, 1998, the College assumed the management and operation of the F.E. DuBose Career Center, a secondary educational institution located in Clarendon County, SC. Several additional schedules are included in the College's "Supplemental Information" section, as required by the South Carolina State Department of Education, because the Career Center receives most of its funds from the S.C. Department of Education.

SUPPLEMENTAL INFORMATION

F.E. DuBose Career Center
Statement of Net Assets
June 30, 2009

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Other receivables	\$ 470,142
Total Assets	<u>470,142</u>
LIABILITIES	
Accounts payable and other current liabilities	167,337
Deferred revenue	76,226
Long-term liabilities:	
Due within one year:	
Compensated absences	5,368
Due after one year:	
Compensated absences	32,569
Total Liabilities	<u>281,500</u>
NET ASSETS	
Unrestricted	188,642
Total Net Assets	<u>188,642</u>
Total Liabilities and Net Assets	<u>\$ 470,142</u>

F.E. DuBose Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government				Primary Government Governmental Activities
Government activities:				
Instruction	\$ 1,021,727	\$ 857,463	\$ 327,290	\$ 163,026
Support services	613,475		180,378	(433,097)
Total governmental activities	<u>1,635,202</u>	<u>857,463</u>	<u>507,668</u>	<u>(270,071)</u>
Total primary government	<u>\$ 1,635,202</u>	<u>\$ 857,463</u>	<u>\$ 507,668</u>	<u>\$ (270,071)</u>
General Revenues:				
Taxes				259,174
Grants and contributions				25,512
Total General Revenue				<u>284,686</u>
Change in Net Assets				<u>14,615</u>
Net assets - beginning of year				174,027
Net assets - end of year				<u>\$ 188,642</u>

**F.E. DuBose Career Center
Balance Sheet
Governmental Funds
June 30, 2009**

	General Fund	Special Revenue Fund	EIA Fund	Total Governmental Funds
ASSETS				
Due from other funds	\$ 384,744	\$ -	\$ -	\$ 384,744
Other receivables	85,398	266,068	118,676	470,142
Total assets	<u>\$ 470,142</u>	<u>\$ 266,068</u>	<u>\$ 118,676</u>	<u>\$ 854,886</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	6,909	-	-	6,909
Deferred revenue	76,226	-	-	76,226
Due to other governments	160,428	-	-	160,428
Due to other funds	-	266,068	118,676	384,744
Total liabilities	<u>243,563</u>	<u>266,068</u>	<u>118,676</u>	<u>628,307</u>
Fund balances:				
Unreserved:				
Undesignated	226,579	-	-	226,579
Total fund balances	<u>226,579</u>	<u>-</u>	<u>-</u>	<u>226,579</u>
Total liabilities and fund balances	<u>\$ 470,142</u>	<u>\$ 266,068</u>	<u>\$ 118,676</u>	<u>\$ 854,886</u>
Total fund balances				226,579
Compensated absences (vacations) are recorded as a liability in the Statement of Net Assets. This liability is not recorded in the fund statements.				(37,937)
Net assets of governmental activities				<u>\$ 188,642</u>

F.E. DuBose Career Center
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
for the Year Ended June 30, 2009

	General Fund	Special Revenue Fund	EIA Fund	Total Governmental Funds
REVENUES				
Local property taxes	\$ 190,965	\$ -	\$ -	\$ 190,965
Other local	882,975	-	-	882,975
Total local	<u>1,073,940</u>	<u>-</u>	<u>-</u>	<u>1,073,940</u>
State	68,209	11,975	386,779	466,963
Federal	-	108,914	-	108,914
Total revenues	<u>1,142,149</u>	<u>120,889</u>	<u>386,779</u>	<u>1,649,817</u>
EXPENDITURES				
Current:				
Instruction	683,390	104,929	155,580	943,899
Support services	428,388	2,632	177,746	608,766
Capital outlay	11,047	13,328	53,453	77,828
Total expenditures	<u>1,122,825</u>	<u>120,889</u>	<u>386,779</u>	<u>1,630,493</u>
Excess (deficiency) of revenues over expenditures	<u>19,324</u>	<u>-</u>	<u>-</u>	<u>19,324</u>
Net change in fund balances	<u>19,324</u>	<u>-</u>	<u>-</u>	<u>19,324</u>
Fund balances - July 1, 2008	<u>207,255</u>	<u>-</u>	<u>-</u>	<u>207,255</u>
Fund balances - June 30, 2009	<u>\$ 226,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,579</u>

Total net change in fund balance--governmental funds (above) \$ 19,324

Amounts reported for governmental activities in the statement of activities
are different because of the following:

In the statement of activities, certain operating expenses--compensated
absences (vacations) are measured by the amounts *earned* during the year.
In the governmental funds, however, expenditures for these items are measured
by the amount of financial resources *used* (essentially, the amounts actually paid). \$ (4,709)

Change in net assets of governmental activities (from Statement of Activities) \$ 14,615

F.E. DuBose Career Center
Statement of Fiduciary Net Assets
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 17,104</u>
Total assets	<u><u>17,104</u></u>
LIABILITIES	
Due to student groups	<u>17,104</u>
Total liabilities	<u><u>\$ 17,104</u></u>

**F.E. DuBose Career Center
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
REVENUES				
Local	\$ 1,040,691	\$ 1,030,454	\$ 1,073,940	\$ 43,486
State	-	68,209	68,209	-
Total revenues	<u>1,040,691</u>	<u>1,098,663</u>	<u>1,142,149</u>	<u>43,486</u>
EXPENDITURES				
Current:				
Instruction	651,724	665,546	683,390	(17,844)
Support services	388,967	445,128	428,388	16,740
Capital outlay	-	-	11,047	(11,047)
Total expenditures	<u>1,040,691</u>	<u>1,110,674</u>	<u>1,122,825</u>	<u>(12,151)</u>
Excess (deficiency) of revenues over expenditures	-	(12,011)	19,324	31,335
Net change in fund balances	-	(12,011)	19,324	31,335
Fund balance - July 1, 2008	-	12,011	207,255	195,244
Fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,579</u>	<u>\$ 226,579</u>

**F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)
For the Year Ended JUNE 30, 2009**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
REVENUES			
Local Revenues			
1210 Advolorem Taxes	\$ 190,965	\$ 178,291	\$ 12,674
Tuition			
1310 Tuition - Patrons	10,609	6,000	4,609
1320 Tuition - Local Education Agency's	713,833	732,058	(18,225)
1330 Adult/CE from Patrons	52,071	40,200	11,871
1340 Adult/CE from District	12,000	12,000	-
1910 Rentals	68,950	51,000	17,950
1990 Miscellaneous	25,512	10,905	14,607
Total Local Sources	<u>1,073,940</u>	<u>1,030,454</u>	<u>43,486</u>
State Sources			
In Lieu of Taxes			
3810 Property Tax Relief	<u>68,209</u>	<u>68,209</u>	<u>-</u>
Total State Source	<u>68,209</u>	<u>68,209</u>	<u>-</u>
TOTAL REVENUE	<u>1,142,149</u>	<u>1,098,663</u>	<u>43,486</u>
EXPENDITURES			
100 General Instruction			
110 General Instruction			
115 Career and Technology Education			
100 Salaries	430,572	415,668	14,904
200 Employee Benefits	106,646	112,028	(5,382)
300 Purchased Services	26,768	26,900	(132)
400 Supplies and Materials	53,754	57,845	(4,091)
500 Capital Outlay	11,047	905	10,142
180 Adult/CE Programs			
181 Adult Basic Education Programs			
100 Salaries	7,932	-	7,932
200 Employee Benefits	1,523	-	1,523
300 Purchased Services	113	6,000	(5,887)
400 Supplies and Materials	1,261	-	1,261
470 Energy	12,000	12,000	-
185 Vocational Adult Education Programs			
100 Salaries	28,477	21,814	6,663
200 Employee Benefits	6,024	4,471	1,553
300 Purchased Services	4,866	-	4,866
400 Supplies and Materials	<u>3,454</u>	<u>7,915</u>	<u>(4,461)</u>
Total Instruction	<u>694,437</u>	<u>665,546</u>	<u>28,891</u>

**F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)
For the Year Ended JUNE 30, 2009**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
EXPENDITURES (continued)			
200 Supporting Services			
210 Pupil Services			
211 Attendance			
100 Salaries	20,166	20,164	2
200 Employee Benefits	11,479	10,934	545
212 Guidance			
100 Salaries	35,193	44,795	(9,602)
200 Employee Benefits	12,563	12,186	377
300 Purchased Services	440	-	440
400 Supplies and Materials	341	-	341
230 General Administration Services			
231 Board of Education			
318 Audit Services	3,725	3,725	-
233 School Administration			
100 Salaries	78,223	78,618	(395)
200 Employee Benefits	24,047	22,508	1,539
300 Purchased Services	4,555	5,600	(1,045)
400 Supplies and Materials	2,070	5,000	(2,930)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	23,625	23,968	(343)
200 Employee Benefits	7,215	6,534	681
254 Operations & Maintenance of Plant			
100 Salaries	46,890	50,000	(3,110)
200 Employee Benefits	14,871	15,380	(509)
300 Purchased Services	25,862	30,597	(4,735)
400 Supplies and Materials	12,367	15,000	(2,633)
470 Energy	72,824	70,000	2,824
255 Student Transportation			
300 Purchased Services	2,010	4,000	(1,990)
258 Security			
100 Salaries	3,389	4,000	(611)
200 Employee Benefits	505	720	(215)
300 Purchased Services	4,120	-	4,120

F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)
For the Year Ended JUNE 30, 2009

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
EXPENDITURES (continued)			
260 Central Support Services			
266 Data & Technology Services			
100 Salaries	15,967	16,093	(126)
200 Employee Benefits	5,492	4,506	986
400 Supplies and Materials	449	800	(351)
Total Support Services	<u>428,388</u>	<u>445,128</u>	<u>(16,740)</u>
TOTAL EXPENDITURES	<u>1,122,825</u>	<u>1,110,674</u>	<u>12,151</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,324</u>	<u>(12,011)</u>	<u>31,335</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,324</u>	<u>(12,011)</u>	<u>31,335</u>
Fund Balance - July 1, 2008	<u>207,255</u>	<u>12,011</u>	<u>195,244</u>
Fund Balance - June 30, 2009	<u>\$ 226,579</u>	<u>\$ -</u>	<u>\$ 226,579</u>

**F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
SPECIAL REVENUE - NON-EIA PROGRAMS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	State	Federal	Total	Budget	Variance Favorable (Unfavorable)
REVENUES					
3000 State					
3128 Career Centers that Work	\$ 2,647	\$ -	\$ 2,647	\$ 5,859	\$ (3,212)
3125 Career & Tech Equipment	9,328	-	9,328	33,208	(23,880)
4000 Federal					
4210 Perkins	-	5,632	5,632	6,770	(1,138)
4410 Adult Ed. Federal	-	98,563	98,563	98,563	-
4999 Revenue from Other	-	4,719	4,719	25,454	(20,735)
Total Revenues	<u>11,975</u>	<u>108,914</u>	<u>120,889</u>	<u>169,854</u>	<u>(48,965)</u>
EXPENDITURES					
100 Instruction					
115 Vocational Programs					
300 Purchased Services	141	-	141	1,758	1,617
400 Supplies and Materials	2,506	-	2,506	4,101	1,595
500 Capital	9,328		9,328	33,208	23,880
181 Adult Basic Programs					
100 Salaries	-	54,395	54,395	54,395	-
200 Employee Benefits	-	13,711	13,711	13,711	-
300 Purchased Services	-	800	800	800	-
400 Supplies and Materials	-	8,594	8,594	8,594	-
182 Adult Secondary Program					
100 Salaries	-	15,702	15,702	32,330	16,628
200 Employee Benefits	-	2,576	2,576	6,541	3,965
300 Purchased Services	-	2,684	2,684	2,700	16
400 Supplies and Materials	-	3,820	3,820	3,946	126
Total Instruction	<u>11,975</u>	<u>102,282</u>	<u>114,257</u>	<u>162,084</u>	<u>47,827</u>
200 Supporting Services					
223 Supervision Special Program					
300 Purchased Services	-	1,632	1,632	1,770	138
400 Supplies and Materials	-	1,000	1,000	2,000	1,000
500 Capital	-	4,000	4,000	4,000	-
Total Supporting Services	<u>-</u>	<u>6,632</u>	<u>6,632</u>	<u>7,770</u>	<u>1,138</u>
Total Expenditures	<u>11,975</u>	<u>108,914</u>	<u>120,889</u>	<u>169,854</u>	<u>48,965</u>
Excess of Revenues over/under Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND - EDUCATIONAL IMPROVEMENT ACT-BUDGET VS. ACTUAL
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	#365 Adult Education Literacy	#350/355 Teacher Salary	#332 National Board	#353 Adult Education Remedial	#362/363 Adult Education Basic	#364 Young Adult	#377 Teachers Supplies	Total	Budget	Variance Favorable (Unfavorable)
REVENUES										
3000 State										
3532 National Board Certification	\$ -	\$ -	\$ 8,803	\$ -	\$ -	\$ -	\$ -	\$ 8,803	\$ 9,021	\$ (218)
3550 Teacher Salary Increase	-	13,700	-	-	-	-	-	13,700	13,109	591
3553 Adult Education Remedial	-	-	-	49,025	-	-	-	49,025	56,491	(7,466)
3555 School Employer Contribution	-	2,803	-	-	-	-	-	2,803	2,500	303
3577 Teachers Supplies	-	-	-	-	-	-	2,504	2,504	2,750	(246)
3562 Adult Education Basic	-	-	-	-	144,759	-	-	144,759	157,514	(12,755)
3565 Adult Education Literacy	69,588	-	-	-	-	-	-	69,588	82,360	(12,772)
3564 Young Adult Population	-	-	-	-	-	95,597	-	95,597	106,272	(10,675)
TOTAL REVENUE	69,588	16,503	8,803	49,025	144,759	95,597	2,504	386,779	430,017	(43,238)
EXPENDITURES										
100 Instruction										
115 Vocational Programs										
100 Salaries	-	13,700	7,500	-	-	-	-	21,200	24,847	3,647
200 Employee Benefits	-	2,803	1,303	-	-	-	-	4,106	4,783	677
400 Supplies and Materials	-	-	-	-	-	-	2,504	2,504	2,750	246
182 Adult Secondary Program										
100 Salaries	-	-	-	-	23,607	22,584	-	46,191	46,191	-
200 Employee Benefits	-	-	-	-	4,076	5,639	-	9,715	9,715	-
400 Supplies and Materials	-	-	-	-	2,276	-	-	2,276	4,933	2,657
183 English Literacy (ESL)										
100 Salaries	56,379	-	-	-	-	-	-	56,379	65,763	9,384
200 Employee Benefits	13,209	-	-	-	-	-	-	13,209	16,597	3,388
187 Adult Education - Remedial										
100 Salaries	-	-	-	-	-	-	-	-	2,140	2,140
200 Employee Benefits	-	-	-	-	-	-	-	-	386	386
500 Capital Outlay	-	-	-	49,025	-	-	-	49,025	53,965	4,940
TOTAL INSTRUCTION	69,588	16,503	8,803	49,025	29,959	28,223	2,504	204,605	232,070	27,465

[illegible]

Fund Balance - End of Year

**F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>ACTUAL</u>
RECEIPTS	
1000 Receipts from Local Sources	
1500 Earnings on Investment	
1510 Interest	\$ 76
1700 Pupil Activities	
1730 Pupil Organization Memberships	440
1790 Other	<u>31,314</u>
 Total Receipts	 <u>31,830</u>
DISBURSEMENTS	
270 Supporting Services Pupil Activity	
272 Enterprise Activities	
660 Pupil Activity	18,026
600 Other Charges	91
273 Trust and Agency Activities	
660 Pupil Activity	<u>9,115</u>
 Total Disbursements	 <u>27,232</u>
 Excess/Deficiency of Revenues over Expenditures	 <u>4,598</u>
 Fund Balance July 1, 2008	 <u>12,506</u>
Fund Balance June 30, 2009	<u><u>\$ 17,104</u></u>

**F.E. DUBOSE CAREER CENTER
CLARENDON COUNTY, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT
OF EDUCATION/FEDERAL GOVERNMENT AND DEFERRED REVENUE
FOR THE YEAR ENDED JUNE 30, 2009**

DEFERRED REVENUE

<u>Program</u>	<u>Grant or Project Number</u>	<u>Revenue & Subfund Codes</u>	<u>Description</u>			<u>Deferred Revenue</u>
Young Adult Pop - Sec	09IM121	3564/364	Unexpended Funds	100	\$	2,656
Young Adult Pop - Supv	09IM121	3564/364	Unexpended Funds	100	\$	8,049
Vocational Equipment	09VA121	3125/905	Unexpended Funds	500	\$	21,409
Adult Ed - Supervisor/Maint.	09EA121	3562/362	Unexpended Funds	100	\$	1,017
Adult Ed - Basic	09EA121	3562/362	Unexpended Funds	100	\$	5,000
AE - State Proviso	AE	3565/365	Unexpended Funds	100	\$	12,772
Career Centers that Work	09VA121-28	3128/938	Unexpended Funds	100	\$	3,653
ADEPT		3991/916	Unexpended Funds	100	\$	567
Palmetto Gold & Silver		3588/388	Unexpended Funds	100	\$	4,467
State Remedial	EIA	3553/353	Unexpended Funds	100	\$	7,766
Total Deferred					\$	<u>67,356</u>

Note

State Proviso, Young Adult Pop - Supv & Secondary, AE Superv/Maint., AE Basic, State Remedial, Career Centers that Work, ADEPT and Palmetto Gold and Silver are allowed to be carried forward from FY 09 to FY 10.

SINGLE AUDIT SECTION

**CENTRAL CAROLINA TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009**

	<u>Federal CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Work Study Programs 07-08	84.033	P033A073809	\$ 9,911
Federal Work Study Programs 08-09	84.033	P033A083809	105,430
Federal Pell Grant Program--07-08	84.063	P063P072482	9,019
Federal Pell Grant Program--08-09	84.063	P063P082482	6,605,335
Federal Supplemental Educational Opportunity Grant-- 08-09	84.007	P007A083809	164,151
Academic Competitiveness Grant	84.375	P375A082482	6,375
Federal Family Education Loans (FFEL)	84.032	N/A	3,470,560
Total Student Financial Assistance Cluster			<u>10,370,781</u>
TRIO Student Support	84.042	P042A050775	<u>213,062</u>
Total TRIO			<u>213,062</u>
Pass-through--South Carolina Dept. of Education			
Adult Education - F.E. Dubose	84.002	09EA121	108,914
Carl Perkins Grant	84.048	09VA413	<u>291,772</u>
Total U.S. Department of Education			<u>10,984,529</u>
U.S. Department of Health & Human Services			
Pass-through--Office of First Steps			
ECD - Module Resource Bin Grant	93.575	none	5,000
T.E.A.C.H. Early Childhood	93.575	01TE413	<u>44,754</u>
Total U.S. Department of Health & Human Services			<u>49,754</u>
Environmental Protection Agency			
Outreach Operator Training 104(g)	66.467	T-96447606-0	20,050
Pass-through--SC Department of Health and Environmental Control			
Training Grant	66.471	CT 974807-03	<u>18,378</u>
Total Environmental Protection Agency			<u>38,428</u>
U.S. Department of Labor			
Pass-through--SC Technical College System			
WIA Incentive Grant	17.267	01TE413	<u>49,080</u>
Total U.S. Department of Labor			<u>49,080</u>
Total Federal Assistance			<u>\$ 11,121,791</u>

CENTRAL CAROLINA TECHNICAL COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2009

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

NOTE 2 – LOANS

The outstanding balance of loans under the FFEL program at June 30, 2009 is not readily determinable due to the number of lenders involved. The loans are issued directly to the students from the federal program and are not recognized as revenue within the financial statements.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

The President and Members of the Area Commission
Central Carolina Technical College
Sumter, South Carolina

We have audited the financial statements of the business-type activities of Central Carolina Technical College (the College) as of and for the year ended June 30, 2009, and have issued our report thereon dated September 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Central Carolina Technical College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Carolina Technical College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Central Carolina Technical College's internal control over financial reporting

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The President and Members of the Area Commission
Central Carolina Technical College
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Carolina Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Members of the Central Carolina Technical College Area Commission, management, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

Webster Rogers, LLP

Sumter, South Carolina
September 21, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The President and Members of the Area Commission
Central Carolina Technical College
Sumter, South Carolina

Compliance

We have audited the compliance of the Central Carolina Technical College (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB), Circular A-133 Compliance Supplement, that are applicable to each of its major federal programs for the year ended June 30, 2009. The College's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Central Carolina Technical College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Central Carolina Technical College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Carolina Technical College's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Central Carolina Technical College Area Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Webster Rogers, LLP

Sumter, South Carolina
September 21, 2009

CENTRAL CAROLINA TECHNICAL COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Reportable condition's identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

_____ Yes X No

Reportable condition's identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

84.007
84.032
84.033
84.063
84.375

Student Financial Assistance Cluster
Federal Supplemental Educational Opportunity Grant
Federal Family Education Loans
Federal Work Study Programs
Federal Pell Grant Program
Academic Competitiveness Grant

Dollar threshold used to distinguish between type A and type B programs

\$300,000

Auditee qualified as low-risk auditee?

 x Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

**CENTRAL CAROLINA TECHNICAL COLLEGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

No prior year audit findings

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE STATE LOTTERY TUITION
ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH POLICY 3-2-307 AND PROCEDURE 3-2-307.1
OF THE STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

The President and Members of the Area Commission
Central Carolina Technical College
Sumter, South Carolina

Compliance

We have audited the compliance of Central Carolina Technical College (College) with the types of compliance requirements described in Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education that are applicable to the State Lottery Tuition Assistance Program for the year ended June 30, 2009. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the State Lottery Tuition Assistance Program is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education. Those standards, policies, and procedures require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the State Lottery Tuition Assistance Program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, Central Carolina Technical College complied, in all material respects, with the requirements referred to above that are applicable to the State Lottery Tuition Assistance Program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the State Lottery Tuition Assistance Program.

In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on the State Lottery Tuition Assistance Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of the State Lottery Tuition Assistance Program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the State Lottery Tuition Assistance Program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of the State Lottery Tuition Assistance Program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State Lottery Tuition Assistance Program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Central Carolina Technical College Area Commission, management, and the State Board for Technical and Comprehensive Education and should not be used by anyone other than these specified parties.

Websterlogus, LLP

Sumter, South Carolina
September 21, 2009